

109TH CONGRESS  
2D SESSION

# S. 2356

To prohibit profiteering and fraud relating to military action, relief, and reconstruction efforts, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

MARCH 2, 2006

Mr. LEAHY introduced the following bill; which was read twice and referred to the Committee on the Judiciary

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## A BILL

To prohibit profiteering and fraud relating to military action, relief, and reconstruction efforts, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “War Profiteering Pre-  
5       vention Act of 2006”.

6       **SEC. 2. PROHIBITION OF PROFITEERING.**

7       (a) PROHIBITION.—

8               (1) IN GENERAL.—Chapter 47 of title 18,  
9       United States Code, is amended by adding at the  
10      end the following:

1 **“§ 1039. War profiteering and fraud relating to mili-**  
 2 **tary action, relief, and reconstruction ef-**  
 3 **forts**

4 “(a) PROHIBITION.—

5 “(1) IN GENERAL.—Whoever, in any matter in-  
 6 volving a contract or the provision of goods or serv-  
 7 ices, directly or indirectly, in connection with a war,  
 8 military action, or relief or reconstruction activities  
 9 within the jurisdiction of the United States Govern-  
 10 ment, knowingly and willfully—

11 “(A)(i) executes or attempts to execute a  
 12 scheme or artifice to defraud the United States;  
 13 or

14 “(ii) materially overvalues any good or  
 15 service with the specific intent to defraud and  
 16 excessively profit from the war, military action,  
 17 or relief or reconstruction activities;

18 shall be fined under paragraph (2), imprisoned not  
 19 more than 20 years, or both; or

20 “(B)(i) falsifies, conceals, or covers up by  
 21 any trick, scheme, or device a material fact;

22 “(ii) makes any materially false, fictitious,  
 23 or fraudulent statements or representations; or

24 “(iii) makes or uses any materially false  
 25 writing or document knowing the same to con-

1           tain any materially false, fictitious or fraudu-  
 2           lent statement or entry;  
 3           shall be fined under paragraph (2) imprisoned not  
 4           more than 10 years, or both.

5           “(2) FINE.—A person convicted of an offense  
 6           under paragraph (1) may be fined the greater of—

7                   “(A) \$1,000,000; or

8                   “(B) if such person derives profits or other  
 9                   proceeds from the offense, not more than twice  
 10                  the gross profits or other proceeds.

11          “(b) EXTRATERRITORIAL JURISDICTION.—There is  
 12          extraterritorial Federal jurisdiction over an offense under  
 13          this section.

14          “(c) VENUE.—A prosecution for an offense under  
 15          this section may be brought—

16                   “(1) as authorized by chapter 211 of this title;

17                   “(2) in any district where any act in further-  
 18                  ance of the offense took place; or

19                   “(3) in any district where any party to the con-  
 20                  tract or provider of goods or services is located.”.

21          (2) TABLE OF SECTIONS.—The table of sections  
 22          for chapter 47 of title 18, United States Code, is  
 23          amended by adding at the end the following:

“1039. War profiteering and fraud relating to military action, relief, and recon-  
 struction efforts.”.

1       (b) CIVIL FORFEITURE.—Section 981(a)(1)(C) of  
2 title 18, United States Code, is amended by inserting  
3 “1039,” after “1032,”.

4       (c) CRIMINAL FORFEITURE.—Section 982(a)(2)(B)  
5 of title 18, United States Code, is amended by striking  
6 “or 1030” and inserting “1030, or 1039”.

7       (d) RICO.—Section 1956(c)(7)(D) of title 18, United  
8 States Code, is amended by inserting the following: “, sec-  
9 tion 1039 (relating to war profiteering and fraud relating  
10 to military action, relief, and reconstruction efforts)” after  
11 “liquidating agent of financial institution),”.

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